



**PARAGON MORTGAGES PRESS RELEASE
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MIXED VIEWS ON MMR IMPACTS FROM BROKERS

- 43% of brokers say there has been no change in business since launch of MMR
- A quarter say they have experienced a decrease in volumes
- Self-employed and retirees are most difficult to find a mortgage for

Mortgage intermediaries are very much divided on the impact of the Mortgage Market Review (MMR) on business volumes, a survey by Paragon Mortgages has revealed.

The specialist lender's Financial Advisor Confidence Tracking survey (FACT) for the first quarter of 2015, sought to establish the impact of MMR in terms of intermediaries' business levels as we reach the one year anniversary of the changes coming into force.

Of the 200 intermediaries who took part in the survey, 43% said that in their view there had been no change to their business volumes as a result of MMR and 24% said that business had increased. However, a quarter (25%) of those surveyed said they had experienced a decrease.

The majority of intermediaries who said they had experienced a decrease reported this had been up to 30% and only 14% said the decrease in business had been any higher. Looking ahead, 15% of intermediaries said they did not know what the long-term impacts of the new regulations would be.

In the Q1 survey intermediaries were also asked which of their customers are now the most difficult to find a mortgage for. Top of the list were the self-employed (75%), followed by retired customers (52%) and over half of intermediaries (51%) said it was those customers with complex incomes.

John Heron, Director of Paragon Mortgages, said: “The research from the first quarter is really interesting. What it shows is there is still some uncertainty in the market about the long-term impact the MMR changes will have on business volumes. This isn’t unexpected, as with any significant change in regulation there will always be a period of adjustment, but it is important the industry monitors this carefully.

“Looking at the feedback from intermediaries on the underserved areas of the market also provides a valuable insight into what lenders could be doing better. We need to recognise that there is no such thing as the average mortgage customer anymore, people have a greater variety of circumstances and we need to be more innovative in order to meet increasingly varied demand from customers.”

ENDS

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NOTES TO EDITORS

Paragon Mortgages is a leading provider of buy-to-let mortgages delivering lending solutions designed for professional landlords with more complex requirements. These include lending to limited companies as well as private individuals, lending on more complex property including HMO's and multi-unit blocks, higher aggregate lending limits and the ability to accommodate more complex letting arrangements including local authority leases and corporate leases along with standard ASTs.

Paragon Mortgages introduced its first product aimed at the professional property investor in 1995 and is a member of the Council of Mortgage Lenders (CML), the Intermediary Mortgage Lenders Association (IMLA), National Landlords Association (NLA) and the Association of Residential Letting Agents (ARLA).

Paragon Mortgages is part of The Paragon Group of Companies, a FTSE 250 company and a specialist provider of finance.

In February 2014 Paragon Group launched its banking subsidiary, Paragon Bank PLC. It is a retail-funded lending bank with a direct-to-consumer Internet platform for savings. Its loan products are distributed via intermediaries. The Bank is authorised and regulated by the Prudential Regulation Authority and the Financial Conduct Authority.